Strategy Research Project

COMMERCIAL SEALIFT AND U.S. NATIONAL SECURITY

BY

COMMANDER MARK P. DIBBLE
United States Navy

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U.S. Army War College, Carlisle Barracks, PA 17013-5050

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Captain Albert Lord
Department of Military Strategy, Planning, and Operations

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COMMERCIAL SEALIFT AND U.S. NATIONAL SECURITY

by

Commander Mark P. Dibble
United States Navy

Captain Albert Lord
Project Adviser

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

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COMMERCIAL SEALIFT AND U.S. NATIONAL SECURITY

American merchant ships and mariners trace their origins to the very inception of the United States, having played major roles in transforming a fledgling nation into a global power. As America has fought her wars, strategic sealift has been crucial in moving equipment and supplies to the foreign shores where Soldiers, Sailors, Airmen and Marines have fought and continue to fight the Nation's battles. This paper examines the Nation's predisposed and historic assumption of a link between U.S. national security and maintaining a U.S. flag commercial merchant marine fleet in today's globalized shipping environment, where lower cost foreign flag registries of convenience dominate the industry and which policy tools are best suited to meet our commercially owned strategic sealift requirements.

Tying U.S. Commercial Sealift to National Security

Alfred Thayer Mahan (1840-1914), an American Naval Officer who is regarded as having laid the foundations of modern naval history, postulated in his most significant effort, *The Influence of sea Power Upon History 1660-1783*, that any nation aspiring for global supremacy must maintain the instruments of war (including bases), the means of its seaborne commerce and the mechanisms to establish and maintain colonies. Mahan concluded that being a great power meant being a seapower and that seapower meant commercial and naval strength.[1] A critical element to being a seapower was having a national character predisposed towards sea borne commerce and a government that was willing to set as a high priority the establishment and sustainment of a nation's navy and maritime nature.[2] The time of Mahan's global emergence coincided with that of the United States. Mahan believed it was time for the United

States to transform from a continental power to being a global force and the path for her to follow was to begin building up her maritime capability.

The President's 2006 National Security Strategy of The United States (NSS) sets a course for a country at war by directing action based upon two pillars. The first, being the promotion of freedom, justice and human dignity. The second pillar calls for the confrontation of challenges by leading a growing community of democracies.[3] U.S. economic influence and military presence across the globe are critical for providing the necessary catalyst for the continued development and confidence of flourishing democracies and free markets. The maritime environment can be seen as the most significant impetus for globalization given it is the medium by which 90 percent of world trade is transported. The nature of the maritime environment as the great common has economically benefited those most with the access and resources to ply it. The NSS calls for America's national security institutions to meet the challenges and opportunities of the 21st century by improving the capacity of agencies to plan, prepare, coordinate, integrate and execute responses covering the complete range of both crises contingencies and long-term challenges. Our federal agencies engaged in national security and defense are well served by having access to a commercial sealift capability.

The United States actively seeks and shoulders responsibilities that extend well beyond our shores and territorial waters. The Department of Defense's (DoD's) National Defense Strategy (NDS) flows from the NSS and gives guidance on campaign and contingency planning, force development, and intelligence.[4] A critical component of obtaining the NDS objectives is the securing of U.S. global strategic access and

retaining freedom of action and movement. The U.S. has ardently secured the global commons and sea lines of communication for national security purposes and the world has benefited from the global prosperity that has resulted from the free flow of goods and services. The U.S. National Military Strategy (NMS) is also guided by the direction and objectives of the President's NSS. The role of the NMS is to focus military activities by defining military objectives for the service chiefs and combatant commanders to identify desired capabilities. A key component of the NMS's functions and capabilities is the ability for the nation to retain the agility and ability to rapidly deploy, employ, sustain and redeploy capabilities in geographically separated and environmentally diverse regions.[5] DoD surge sealift is designed to primarily be executed by DoD organic fleet assets. DoD sustainment sealift is typically accomplished through the chartering of both U.S. and foreign flag commercial vessels.

Chief of Naval Operations (CNO) guidance for 2010 identifies six core capabilities of our maritime strategy: forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response.[6] There currently exists no single credible challenge to the maritime supremacy of the U.S. and her allies and today limited war is the most likely use of U.S. military force. Maritime strategy has evolved away from blue water operations on the high seas toward power projection and influence upon the littorals of the world in both peace and war. This encompasses those areas which are adjacent to the seas and are within direct control of and within reach of striking capability of sea-based forces.[7] With 70% of the world's surface being covered by water and 80% of the world's population living near or

on the coastline, it can be argued that they who can control and sustain their sea communications will enhance their prospect to prosper and be secure.

Legislating Maritime Policy

The United States has always been a maritime nation and throughout its history, both the Legislative and Executive Branches of Government have supported the growth, maintenance, and at times preservation, of a U.S. flag commercial merchant marine shipping capability. U.S. federal maritime policy has, over time, developed into a series of administrative programs and statues that were intended to respond to developments within the global maritime industry and to support a domestic commercial sealift capability. At the turn of the twentieth century, Congress became more active in this area through the passage of the Military Cargo Preference Act of 1904. Through this measure, all items procured for or owned by U.S. military departments and defense agencies were required to be carried exclusively on U.S. flag commercial vessels available at rates that were not excessive or otherwise unreasonable.[8] This cargo preference applied to both end products and component parts. Subsequent pieces of cargo preference legislation require that seventy-five percent of U.S. agricultural cargos and at least fifty-percent of civilian agency cargos be shipped on U.S. flag commercial vessels. These preferences are intended to provide a revenue base that will retain and encourage a privately owned and operated U.S. flag merchant marine fleet as a resource capable of providing strategic sealift capability, if needed, in wartime and other national emergencies and to help protect United States seaborne commerce from relying totally on foreign owned sealift capability. [9]

The era of intense federal involvement and regulation of the U.S. merchant marine began as the country prepared to enter World War I. Against staunch opposition

from the private sector shipping industry, the Shipping Act of 1916 created a federal Shipping Board which for the first time empowered a single U.S. Government authority with the ability to acquire and operate a non-military government fleet. Under President Wilson's guidance, this Shipping Board set the nation on the path of a monumental shipbuilding effort, delivering nearly 500 completed vessels in a two year span. U.S. domestic shipyards became quite proficient and excelled at building the ships the nation required to win the First World War. This domestic shipbuilding initiative continued until 1921 and the U.S. saw another 1,700 ships be delivered after the war had concluded. The U.S. Government found itself in a position of excess and sold off many of these new, modern vessels to U.S. shipping companies at below construction prices. The post war global shipping industry found most normal shipping markets were quickly able to reestablish themselves which led to increased pressure from the commercial sector to have the government remove itself from attempting to further manipulate and regulate the commercial shipping industry. While the sale of these excess ships was initially beneficial to the U.S. industrial shipping base, U.S. shipping companies were not aggressive in planning for the need to eventually recapitalize these assets. It was at this time that Senator Wesley Jones, Chairman of the Senate Commerce Committee, undertook action to ensure the continued presence of a U.S. flag commercial merchant marine fleet in domestic shipping through passage of the Merchant Marine Act of 1920. This piece of legislation, commonly referred to as the Jones Act, formally recognized the auxiliary role of merchant ships in wartime and national emergencies. This precedent was to be repeated in subsequent maritime related legislation. In addition, the Jones Act reserved the right for U.S. flag commercial vessels to carry all waterborne

transportation of passengers and freight within the U.S.[10] To this day, this fleet's exclusive area of operations includes the nation's inland waterways and the Great Lakes. The Act further stipulated that these vessels must be constructed by U.S. shipbuilding companies, be owned and registered in the U.S. and be manned with a crew of one-hundred percent U.S. licensed officers and seventy-five percent U.S. crew.

The next significant piece of legislation designed to influence the U.S. flag commercial merchant marine fleet was the Merchant Marine Act of 1936. Championed by President Roosevelt, it defined the federal role in maritime trade and transportation by tying the U.S. merchant marine to U.S. national defense and economic growth through development of both domestic and foreign commerce. To achieve these stated ends outright subsidies were provided for domestic ship construction, attempting to offset the higher costs associated with maintaining a U.S. registry as compared to more profitable foreign competitors. To receive a Construction Differential Subsidy (CDS) or Operating Differential Subsidy (ODS) payment, a newly constructed vessel needed to be built in U.S. yards and remain U.S. registered for a twenty year period. Operators desiring to receive ODS contracts were also required to dedicate U.S. constructed ships to a specific number of voyages on specific trade routes on a per annum basis. In addition, those receiving an ODS were also required to replace their aging vessels on a schedule to ensure the long-term sustainment and recapitalization of a modern U.S. commercial fleet.

The Merchant Marine Act of 1970 provided a stimulus to the U.S. flag merchant marine fleet through the adoption of new shipbuilding programs aimed at improving construction efficiency and cutting construction costs. This Act also attempted to control

the increasingly disparate cost of operating under a U.S. registry by indexing wages and determining crew size by ship design and construction techniques vice negotiating these variables with labor unions after a new vessel was ready to be put into operation. While shipbuilders did invest over a billion dollars on shipyard capital improvements within five years of passage, U.S. carriers remained dependent upon government subsidies to partially offset their higher operating costs compared to those of their foreign competitors.

American taxpayer support for a U.S. presence in international shipping continued in the form of direct operating and construction subsidies, by the time Ronald Reagan assumed the Presidency in 1980, the composition of the U.S. commercial flag merchant marine fleet employed in international trade had shrunk to pre-World War I levels. The U.S. commercial fleet had ceased to be a common sight on the world shipping scene carrying less than five percent of America's foreign trade.

The final significant piece of 20th century legislation aimed at the maritime industry was Public Law 104-239. The Maritime Security Act of 1996 (MSA 1996) was signed into law by President Clinton on October 8, 1996 with the stated intent of amending the Merchant Marine Act of 1936 by establishing sealift mobilization programs to assure DoD access to U.S. flag commercial sealift capability in order to augment the DoD organic fleet.[11] The MSA 1996 established the Maritime Security Program (MSP) for fiscal years 1996 through 2005 and granted authority to the Secretary of Transportation to enter into annually renewable contracts with eligible vessel owners and operators who would maintain their military useful commercial vessels under U.S. flag registries in exchange for making sealift capability available to

DoD in times of war or national emergency. The MSP was intended to support DoD mobility requirements and to ensure an ongoing presence of a contingent of U.S. flag commercial ships in international trade. The program was touted as a national defense initiative designed to provide financial assistance on an annual basis to U.S. oceangoing commercial ship owners and replaced the more costly and restrictive Operating Differential Subsidy (ODS) program of 1936. The MSP authorized financial assistance of up to $2.1 million per vessel per year to operators of acceptable U.S. flag commercial vessels with approved MSP operating agreements. Total funding was set at a fixed amount of $98.7 million per year for each fiscal year and covered a maximum of 47 vessels.[12] These payments were targeted to help offset the higher operating costs encountered by U.S. flag carriers when compared to the costs of their foreign competitors. This disparity was primarily due to the higher standards for health, safety, and employment in the higher wages and benefits paid to U.S. seaman, in disparate operating and capital costs, U.S. Coast Guard Regulations that exceed international standards, and a generally higher tax burden.

Shortly after the passage of MSA 1996, Defense Secretary William Cohen authorized the Voluntary Intermodal Sealift Agreement (VISA) on January 30, 1997. VISA was developed through a unique partnership between DoD, Department of Transportation (DOT), Maritime Administration (MARAD) and U.S. commercial shipping companies in an attempt to meet military contingency operations and humanitarian assistance sealift requirements. The program established a contractual arrangement for obtaining time-phased access to military-useful U.S. flag commercial sealift capacity, infrastructure and intermodal capability by integrating U.S. commercial capabilities to

augment DoD's fleet.[13] The VISA fleet incorporates U.S. commercial shipping from MSP enrollees, ocean carriers transporting military cargo under DoD contracts, and other vessels volunteered by their shipping companies. Under this arrangement, DoD's organic fleet will primarily carry combat forces and initial surge requirements and the VISA capacity, when activated if required, will focus on sustainment resupply in support of ongoing operations.

On November 24, 2003 President Bush signed the 2004 National Defense Authorization Act, which contained the Maritime Security Act of 2003 (MSA 2003) reauthorizing the Maritime Security Program (MSP) for fiscal years 2006-2015. The stated purpose of the new MSP is to establish a fleet of active, commercially viable, military useful, privately-owned vessels to meet national defense and other security requirements and to maintain a U.S. presence in international commercial shipping.[14] The new law increased the size of the Maritime Security Fleet from 47 to 60 vessels and provided annual funding authorization for fiscal years (FY) 2006-2008 at $156 million, FY 2009-2011 at $174 million and FY 2012-2015 at $186 million to support the operation of these U.S. flag commercial vessels in the foreign commerce of the United States. The MSP fleet is currently comprised of 38 Containerships, 17 Roll On/Roll Off (RO/ROs), 2 Heavy Lift vessels and 3 Tankers. The DOT's Maritime Administration carries out this legislative tasking by making available to DoD this 60 ship fleet capability and capacity that is crewed by U.S. mariners, as well as the supporting intermodal infrastructure. Like its ten year predecessor program, participating operators are required to make their ships and commercial transportation resources available upon request by the Secretary of Defense during times of war or national emergency.[15]

Recent and Current Use of Foreign Flag Vessels by DoD

In 1987 the President directed the Secretary of Defense (SECDEF) to establish the U.S. Transportation Command (USTRANSCOM) as a Unified Combatant Command charged with integrating DoD's global air, land and sea transportation capabilities in both peace and wartime. USTRANSCOM has three component commands; the Army's Surface Deployment and Distribution Command (SDDC); the Navy's Military Sealift Command (MSC); and the Air Force's Air Mobility Command (AMC), that provide intermodal transportation services across the spectrum of military operations.

The sealift component of the defense transportation enterprise continues to be the primary segment utilized to support contingency military operations; more than 90 percent of all the equipment and supplies needed to sustain U.S. military forces is carried by sea.[16] TRANSCOM has three elements to strategic sealift. The first component of this triad is the prepositioned fleet, which provides a fast and powerful first response capability of logistical support which is pre-staged aboard ships that are strategically located near potential crises areas. The second element of sealift centers on a robust and responsive surge fleet capability that can quickly deploy a significant amount of heavy combat capability such as tanks, trucks, armored vehicles and helicopters in the early stages of a military contingency operation. TRANSCOM typically relies on U.S. Government owned vessels, managed by MSC, and the Maritime Administration's (MARAD) Ready Reserve Fleet to meet second stage surge requirements. The final leg of TRANSCOM's sealift concept is sustainment. Sustainment shipping maintains the pipeline with armament, food, supplies and other material necessary for continued overseas operations. It has become common practice

to employ short-term charters of foreign flag vessels as a resource, along with the existing U.S. flag commercial merchant marine fleet, to move military sustainment resources.

During Operation Desert Shield/Desert Storm, TRANSCOM executed the most massive rapid deployment of U.S. military forces and supplies in the nation's history. Throughout the conflict the MSC, TRANSCOM's sealift arm, moved nearly 95 percent of all military related cargo in support of these operations. By the conclusion of the conflict, MSC had moved 459 shiploads of material comprised of 32.7 million square feet of cargo.[17] To accomplish this, MSC initially utilized its prepositioning vessels as a fast first response capability which carried 19 percent of the total unit cargo during Desert Shield/Desert Storm.[18] MSC Fast Sealift Ships (FSS) and MARAD's Ready Reserve Fleet assets were used in their sealift surge capability and combined to carry 41 percent of the military sealift requirement for these operations.[19] All-in-all, 60 percent of the U.S. military's sealift support was carried by U.S. Government owned vessels. The remaining 40 percent, comprised primarily of contingency operations sustainment supplies and equipment, was transported by U.S. flag and foreign flag commercial vessels. MSC, as required by current legislation, initially looks to the U.S. flag commercial merchant marine fleet and chartered 32 vessels that in the end carried 13 percent of the total cargo in support of Operation Desert Shield/Desert Storm. Short-term contracted charters to 177 foreign flag commercial ships carried the remaining 27 percent of the U.S. military cargo. At the height of the war, MSC managed more than 230 Government-owned and privately chartered ships.

Since the inceptions of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) through July 2008, MSC's government owned ships had moved 100 million square feet of military equipment and supplies and delivered over 12 billion gallons of fuel to U.S. and coalition forces engaged in the Global War on Terror.[20] For fiscal year 2009, MSC delivered 4 million square feet of military cargo.[21] The breakdown of the vessels that delivered these supplies and equipment is as follows:

- Naval Fleet Auxiliary Force: 1,598,662 sq. ft.
- MSC Surge Sealift: 861,694 sq. ft.
- Ready Reserve Force: 78,335 sq. ft.
- U.S. Flag Charters: 1,363,881 sq. ft.
- Foreign Flag Charters: 105,569 sq. ft.

For fiscal year 2009 MSC chartered nearly 30 percent of the U.S. military sealift requirement to the commercial shipping sector with just over 2 percent being shipped on foreign flag commercial vessels.

Hypothetical Scenarios and Impact on the Availability of Commercial Sealift

The importance of maintaining sea lines of communication (SLOCs), especially through choke points, for supporting military operations on foreign shores has been demonstrated throughout history and remains critically relevant today. For the purpose of framing follow-on arguments and analysis it is worth considering possible scenarios that would limit, if not all together deny, passage through a few key strategic SLOCs and the likely resulting impact on the access and availability of the global commercial sealift industry to support the U.S. strategic sealift posture.

The Persian Gulf is a 600 mile long body of water which separates Iran from the Arabian Peninsula and is one of the most strategic waterways in the world due to its relevance in world oil trade and current U.S. military operations. At its narrowest point, in the Strait of Hormuz, the Gulf narrows to a mere 34 miles wide. This strait connects the Persian Gulf with the Arabian Sea and represents one of the major water chokepoints in the world and is the only sea lane in which oil from Iraq, Iran, Kuwait, Saudi Arabia, Bahrain, Qatar and much of the United Arab Emirates can be exported via water transportation. During the Iran-Iraq War, oil tankers transiting through the Persian Gulf were attacked by both Iraq and Iran, leading in part to the U.S. decision in 1987 to "reflag" Kuwaiti tankers and to also increase U.S. Naval force presence in the Gulf. Consider a State or non-State actor threatening to or actually harassing and attacking commercial shipping in an attempt to close the straits. U.S. Government owned shipping, U.S. flag commercial vessels and foreign flag vessels desiring to transit the strait could all be impacted based upon the magnitude of the treat. If hypothetically, Iran was the belligerent in attempting to close the strait, their shipping would also certainly be affected. Tehran would end up as one of the greatest losers as nearly 90 percent of Iran's export earnings come from oil and, consequently, from safe and secure passage through the Persian Gulf. The U.S. Government would have options such as reflagging foreign vessels, paying an additional war insurance fee for the associated transit risk, and even providing air and maritime escort services to transit the threatened area. In addition to the assured outcry from the international system, the U.S. Government can be reasonably comfortable in the premise that it would be able to continue to acquire commercial sealift from the international marketplace. If the strait

were to be so threatened as to be non-navigable, the ownership and registry of the commercial ships that would not be able to transit the waterway becomes mute.

Consider a scenario that would deny the ability to transit the Suez Canal. One of the most important waterways in the world, it runs north to south through the Isthmus of Suez in northeastern Egypt. The history of the canal has been mired with war and ownership claims by Egypt, Britain, France and Israel. Closed during the 1967 Six Day War, the canal was reopened in 1979 and has remained open to every nation desiring passage. The most significant impact of the loss of this key waterway would be the resultant increased transit time required to circumnavigate South Africa and the Cape of Good Hope. Sailing schedules would be disrupted and the normal flow of commodities altered. The disorganization of normal economic intercourse would assuredly result in increased shipping prices and longer delivery time frames resulting in a decrease in the available supply of commercial sealift as these vessels are engaged in significantly longer transit routes. In the end, the U.S. Government would still have access to the international shipping market.

Maritime piracy is a universal crime under international law and has drawn significant attention in the 21st century as a serious and growing problem, specifically off the Horn of Africa. Somali pirates operate along a 2,300 mile coast and in 2.5 million square miles of ocean attacking and harassing vessels transiting up to 450 miles offshore in the Indian Ocean and in the Gulf of Aden, a natural chokepoint for obtaining access to the Red Sea and Suez Canal. In 2008, 47 vessels were hijacked which was three times as many hijackings as in any year over the previous decade.[22] Piratical attacks undermine confidence in global sea lines of communication, weaken the

legitimacy of states, cause a rise in maritime insurance rates and cargo shipping costs and endanger the lives of mariners who may be taken hostage, injured or killed. Should this pattern continue and take on a more global presence, could this potentially impact the United State's ability to access foreign flag commercial vessels to support the movement of military equipment and supplies? Although pirates display weapons and have fired upon ships, it is contrary to their interest to intentionally harm hostages or actually disable a ship. The hostages, not typically the cargo being carried, are the commodity typically used to leverage ransom payments. Shipping interests have on average paid cash ransoms ranging from $500,000 to $2 million dollars. Globalization is tied to economic interdependency made largely possible by international shipping and has given rise to the current summation that securing the global maritime domain will not come from the United States alone, but through the coordinated efforts of a coalition of States, international organizations, and industry. And while maritime security and patrol forces alone will not provide a comprehensive solution to the threat of piracy, it is a reasonable argument that if piracy were to take on a more global dimension to the point where the revenue loss as a result of ransoms and shipping delays became significant enough, that ship owners, mariners and insurance companies would favor the registry and flagging of vessels to those States and coalitions which could offer the greatest maritime security protection, including the United States. Also, foreign flag vessels carrying U.S. military cargos can more readily be afforded U.S. maritime patrol escort or embarked ship rider protections, if deemed necessary.

Conclusion

It is evident that U.S. maritime policies and legislative acts have not created or maintained a globally robust and vibrant U.S. flag commercial merchant marine fleet.

The world commercial shipping fleet of sea-going merchant vessels is comprised of 99,741ships of which 52,994 are categorized as cargo carrying vessels with an average age of 20 years old. They are registered in over 150 nations and are manned by over 1 million mariners of virtually all nationalities.[23] In 1975 the world merchant marine fleet consisted of 22,872 ships with a capacity of 556,572,000 dead weight tons. The United States at the time ranked eighth in terms of dead weight tonnage capacity at 17,694,000 deadweight tons and the fleet was comprised of 857 oceangoing vessels. At the end of 1996, there were 291 active U.S. flag ocean going commercial vessels and by October 2009, the U.S. fleet had shrunk to 88 ships of 10,000 deadweight tons and above operating in U.S. foreign trade and 97 ships remaining in the domestic "Jones Act" trades. This represents 1.5 percent of the foreign trade of the United States being carried on U.S. flag commercial ships.[24]

During combat operations, more than 90% of all the equipment and supplies needed to sustain U.S. military forces are carried by sea.[25] The United States Transportation Command (TRANSCOM) at times has relied upon commercial shipping to meet 64% of its global sealift requirement.[26] Any state or non-state actor wishing to oppose U.S. or allied forces will likely look for ways to deter, deny, or frustrate the ability to swiftly employ and sustain combat forces. Such potential adversaries may not look to confront or contest the U.S. directly but rather focus their efforts on impairing or denying freedom of movement and action in an attempt to disrupt the ability to project power.[27]

Current U.S. maritime policy is driven by legislative authority and is primarily focused on assuring access to commercial vessels to support national security requirements. The current MSP, VISA and Cargo Preference programs have been

successful in mitigating the “hemorrhaging” of the U.S. flag commercial merchant marine fleet to less costly foreign registries of convenience. Legislatively, the current MSP does make 60 ships and intermodal infrastructure available to the DoD in times of national emergency. Owners and operators of MSP vessels are also required to enroll and participate in the VISA program. Since its establishment, the MSP has been successful in achieving its stated ends of providing the DoD access to U.S. flag commercial sealift capacity in order to augment the DoD organic fleet, if needed.

The DOT, typically acting through its Maritime Administration (MARAD), is the current implementing agency for legislative programs aimed at influencing the size and composition of the U.S. flag commercial merchant marine fleet. MARAD directly manages the control of payments to MSP participants for DOT.[28] Continuing the MSP beyond 2015 would be appropriate and is likely to occur. The program has been successful in maintaining a contingent of active, privately-owned, U.S. flag and U.S. crewed commercial vessels engaged in international trade and commerce that is available to quickly support the DoD in times of crises. The structure of the MSP encourages operators to upgrade their fleets to enhance their ability to compete in the global marketplace. Since October 1, 2005, 15 modern and efficient vessels have replaced older MSP vessels.[29] Additionally, the budgetary cost of the MSP is marginal. Clearly, there would no longer exist an economic rationale for owners to continue operating these 60 vessels engaged in foreign trade under U.S. registries and this DoD contingent capability would likely be lost if this subsidy was to be abolished or allowed to attrite. Potential modifications to improve upon the award and payment structure to MSP carriers could include basing the annual subsidy payment amount on what DoD

considers the military utility and usefulness of each specific vessel vice the award of a fixed ten year operating agreement which is subject to the annual appropriation process.

Achieving success in regional contingencies requires sufficient strategic mobility to deploy combat forces rapidly and to sustain them in forward operating areas as long as required to achieve the policy objectives of the U.S. Sealift has been and continues to be a critical component of supporting U.S. national security requirements. The current programs of VISA, the MSP and cargo preferences have emerged as the result of an evolved U.S. maritime policy that is working well in today's globalized shipping environment. Foreign flag commercial vessels will continue to remain an important component of the sealift triad and the notion that these vessels are not a consistent and reliable means of transporting and redeploying military supplies and equipment, as a support component of prolonged military contingency operations, has not shown itself to be the case as the global maritime shipping industry has developed and matured. We have seen this global industry respond during Operation Desert Shield/Desert Storm and it continues to perform in support of the DoD's on-going contingencies in Iraq and Afghanistan. Alfred Thayer Mahan's turn of the 20th century argument that in order to attain global supremacy, a nation must fully maintain the organic means of its seaborne transport, does not hold water in today's globalized and interconnected commercial shipping industry.

Endnotes

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